

Community Colleges: State Funding

State funding is one of the two largest sources of revenue for Iowa's 15 community colleges. In FY 2014, the most recent data available, 34.7% of *unrestricted* general fund revenue came from State general aid, while 52.9% came from tuition and fees. The remainder came from local property taxes, federal funding, and other income. Historically, tuition and fees have grown as a percentage of revenue, as has other income. State general aid, local support, and federal funding have decreased over the long run. (See **Chart 1** for percentage of revenue by source since 1967.)

State Funding Beyond General Aid

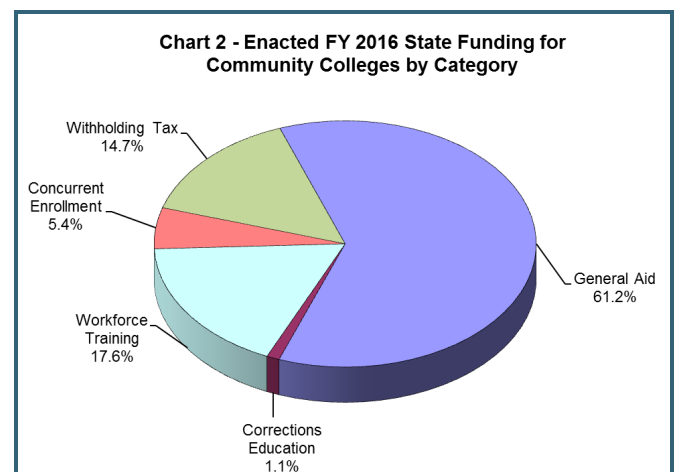
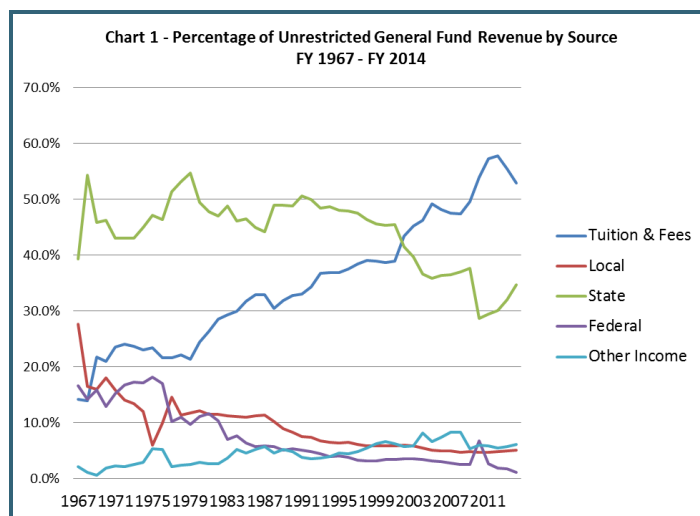
While it is the largest portion of State funding for the community colleges, annual general aid was approximately two-thirds of total State dollars flowing to the colleges for FY 2008 through FY 2016. (See **Chart 2** below.)

The community colleges receive additional State dollars from a variety of funding streams, as detailed in **Table 1** on the following page. The colleges report this income as *restricted* revenue, because the use of the funds is restricted to purposes specified in statute.

Restricted State Funding by Category

The categories of restricted State funding for the community colleges, from largest to smallest, are:

- Workforce training appropriations through the Department of Economic Development.
- Tax withholding diversions and credits related to job training programs under Iowa Code chapters [260E](#) and [260G](#).
- Receipt of funds from K-12 schools for jointly enrolled students. The K-12 schools receive additional State aid (weighting) for jointly enrolled students. The schools contract with the community colleges, and each contract sets the tuition rate the schools pay the colleges. Estimates in this document assume that the colleges receive all the weighting.
- Appropriations and transfers for the Corrections Education Program through the Department of Corrections.



More Information

Department of Education – Community College Division: <https://www.educateiowa.gov/adult-career-and-community-college>

Iowa General Assembly: <http://www.legis.iowa.gov/index.aspx>

LSA Staff Contact: Robin Madison (515-281-5270) robin.madison@legis.iowa.gov

Table 1

State Funding of Community Colleges

	Actual FY 2014	Estimated FY 2015	Enacted FY 2016	FY 2016 vs FY 2015
State General Aid:				
General Aid	\$ 193,274,647	\$ 201,274,647	\$ 201,274,647	\$ 0
Salary Appropriation	500,000	500,000	500,000	0
Subtotal State General Aid	<u>\$ 193,774,647</u>	<u>\$ 201,774,647</u>	<u>\$ 201,774,647</u>	<u>\$ 0</u>
Corrections Education:				
General Fund	2,608,109	2,608,109	2,608,109	0
Other Funds	904,358	862,718 #	961,065 #	98,347
Subtotal Corrections Education	<u>\$ 3,512,467</u>	<u>\$ 3,470,827</u>	<u>\$ 3,569,174</u>	<u>\$ 98,347</u>
Workforce Training:				
ACE Infrastructure - SWJCF	6,000,000	6,000,000	6,000,000	0
Workforce Dev. Fund Account (260F)	4,000,000	0	0	0
Job Training - WDF		3,000,000	3,000,000	0
Apprenticeship Training Program - WDF	0	2,750,000	3,000,000	250,000
Common Course Numbering System - TRF	0	150,000	0	-150,000
High Quality Jobs - SWJCF	16,900,000	16,900,000	16,900,000	0
GAP Tuition Fund - SWJCF	2,000,000	2,000,000	2,000,000	0
Adult Literacy for the Workforce - SWJCF	5,500,000	5,500,000	5,500,000	0
PACE and Regional Sectors - SWJCF	5,000,000	5,000,000	5,000,000	0
Workbased Learning Intermediary Networks - SWJC	1,500,000	1,500,000	1,500,000	0
Workforce Training and Econ Dev Funds - SWJCF	15,300,000	15,100,000	15,100,000	0
Workforce Preparation Outcome Reporting System -	0	200,000	200,000	0
Subtotal Workforce Training	<u>\$ 56,200,000</u>	<u>\$ 58,100,000</u>	<u>\$ 58,200,000</u>	<u>\$ 100,000</u>
Revenue from Concurrent High School Enrollment	<u>\$ 21,378,577</u>	<u>\$ 17,777,484 #</u>	<u>\$ 17,777,484 #</u>	<u>\$ 0</u>
Withholding Tax Diversions and Credits:				
ACE Withholding Tax Credits (260G)	3,748,533	3,532,953	3,862,109 #	329,156
Industrial New Jobs Training (260E)	43,296,038	36,106,954	44,225,177 #	8,118,223
Subtotal Withholding Tax	<u>\$ 47,044,571</u>	<u>\$ 39,639,907</u>	<u>\$ 48,087,286</u>	<u>\$ 8,447,379</u>
Total	<u>\$ 321,910,262</u>	<u>\$ 320,762,865</u>	<u>\$ 329,408,591</u>	<u>\$ 8,645,726</u>

NOTES:

- 1) Corrections Education Other Funds are allocated at the DOC's discretion and include receipts from the Telephone Rebate Fund, Institution Canteen Funds, and the balance brought forward from the previous fiscal year.
- 2) Mortgage Servicing Settlement Fund (MSSF) - Funds may be used for major maintenance, routine maintenance, and building operations.
- 3) For FY 2015, the Governor plans to introduce legislation to revise the 260F program. The amount of funding available to community colleges from the revised program is not yet known.
- 4) Skilled Worker and Job Creation Fund (SWJCF) was created in FY 2014 and collects up to \$66.0 million in gambling revenues.
- 5) Revenue from Concurrent High School Enrollment is estimated in FY 2014 and FY 2015 by using estimated revenue from school aid weightings, adjusted by the average percentage difference between estimated revenue from school aid weightings and actual revenue from concurrent enrollment in FY 2008 through FY 2013.
- 6) ACE Withholding and 260E Tax Credits - Estimated amounts (#) represent the Department of Revenue March 2015 projections. Earlier actual amounts may continue to be updated as claims are verified.

Estimated